

## Message Text

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42

ORIGIN EB-07

INFO OCT-01 EA-10 ISO-00 CAB-05 SSO-00 IO-10 L-02 PM-03

NSC-05 SP-02 SS-15 CIAE-00 COME-00 DODE-00 DOTE-00

INR-07 NSAE-00 FAA-00 INRE-00 /067 R

DRAFTED BY EB/AN:WBCOBB:TP

APPROVED BY EB/AN:WBCOBB

CAB - MR. HORNEMAN

EA/ANP - MR. LANGE

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O R 181431Z APR 75

FM SECSTATE WASHDC

TO AMCONSUL MELBOURNE IMMEDIATE

INFO AMEMBASSY CANBERRA

UNCLAS STATE 089039

E.O. 11652: N/A

TAGS: EAIR, AS

SUBJECT: CIVAIR: PAA'S COMMISSION SYSTEM FOR SALES AGENTS

REF: MELBOURNE 447

1. ON APRIL 9, PAN AM ADVISED IATA THAT IT IS DENOUNCING  
IATA RESOLUTIONS RE PAYMENT OF COMMISSIONS. REASONS GIVEN  
WAS THAT "IT IS COMMON KNOWLEDGE THAT THE IATA  
COMMISSION RESOLUTIONS ARE BEING WIDELY IGNORED" AND THAT  
"IATA DOES NOT OR CANNOT ENFORCE ITS REGULATIONS". OTHER  
AIRLINES (E.G. TWA) EITHER HAVE OR ARE THREATENING FOLLOW  
SUIT. WE UNDERSTAND IATA EXECUTIVE COMMITTEE IS MEETING  
ON APRIL 18 ON THIS MATTER.

2. DEPARTMENT IS TAKING NEUTRAL POSITION ON POLICY ISSUE  
FOR TIME BEING. HOWEVER, WHERE FOREIGN GOVERNMENTS CLAIM  
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THAT COMMISSIONS ARE PART OF THE TARIFF STRUCTURE AND

THAT THEREFORE RATE ARTICLES IN BILATERAL AIR TRANSPORT AGREEMENTS COME INTO PLAY, WE ARE TAKING POSITION THAT US DOES NOT REGARD COMMISSIONS AS PART OF TARIFF (BECAUSE THEY DO NOT INVOLVE PRICES OR CONDITIONS OF SERVICE OFFERED TO PUBLIC) AND THAT THEREFORE RATE ARTICLES ARE NOT RELEVANT.

3. WE ALSO ADVISING US AIRLINES WHO RAISE QUESTION THAT IT WOULD BE PRUDENT NOT TO OFFER COMMISSION INCENTIVES IN CASE OF COUNTRIES WHOSE DOMESTIC LAWS CLEARLY PROHIBIT THEM WITHOUT APPROVAL. IN SOME CASES, DESPITE FOREIGN GOVERNMENT ASSERTION THAT LAW CONTROLS COMMISSIONS, PAN AM BELIEVES OTHERWISE AND MAY CHOOSE CONTEST ISSUE. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR FARES, AVIATION REGULATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE089039  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** WBCOBB:TP  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750136-0811  
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**Handling Restrictions:** n/a  
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**Line Count:** 74  
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**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 MELBOURNE 447  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR: PAA'S COMMISSION SYSTEM FOR SALES AGENTS  
**TAGS:** EAIR, AS, PANAM, IATA  
**To:** MELBOURNE  
**Type:** TE  
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